

FOREIGN SERVICE DESPATCH

FROM: American Consulate General, Dhahran

173

DESP NO.

TO: THE DEPARTMENT OF STATE, WASHINGTON.

REF

67	ACTION	DEPT
For Dept.	REC'D	IN
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April 17, 1956
CIA-5, USA-10, Army-4, Navy-5

SUBJECT: King Saud Enunciates Policy of Cooperation with ARAMCO; Labor Problems Discussed.

King Saud on April 1 made an informal policy statement in which he expressed his desire for "full cooperation and mutual assistance between the Government and the company (ARAMCO) at all times". He also said that Americans connected with ARAMCO were in the country primarily as his guests and he wanted them to be shown "every kindness, hospitality and cooperation in their work". The text of the statement as translated by ARAMCO is attached as Enclosure 1.

The group addressed by the King was meeting in Riyadh to discuss a number of labor problems which have developed during the past few months. (See Enclosure I for list of persons attending the meeting.) The King called the meeting after F. W. OHLIGER, Vice President, Concession Affairs, had discussed several of the problems with him.

An important issue under discussion was the Government's recent order to the company to abolish its Communications Committees (see despatch No. 143, March 1, 1956). Linked to this was the general problem of employee representation with specific reference to the status of [redacted] self-appointed "representative of the workers", before the Royal Committee on Labor Affairs (desp. No. 145, March 8, 1956). Also discussed were: (1) The long-standing Ras Tanura teachers' issue (see despatch No. 160, March 31, 1956) and (2) the problem of safety devices raised by a recent Government order [redacted] against wearing of certain types of safety headgear.

Although no conclusive results were achieved at the meetings, company officials feel that progress was made on the question of communications committees and the larger issue of employee representation. Government representatives, according to ARAMCO sources, made it clear that there were to be no elected or self-appointed representatives of the workers and that the Government would represent the interests of the workers. The need for a channel of communication between workers and management was recognized and methods other than through the former type of Communications Committees (specifically ruled out by the King) were to be studied.

Comment: Company officials feel that the King's statement, especially since it was made to the persons listed in Enclosure 1, is highly significant. They *When [redacted] name was first mentioned in the meetings, Yusuf YASIN, who participated on the Government side, turned to ask Amir Turki IBN ATAISHAN, Director General of the Labor Dept., "Who is this [redacted]"

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have noticed an improvement in the attitude of some central government officials during the last two weeks. The company has heard from local sources that Amir and al-Muhsin IBN JILUWI received instructions from the King to accord full cooperation to ARAMCO, but this has not been reflected in actions by local officials. Mounting labor problems and conflicting pressures (see despatches 174 and 175 of today's date) have placed local officials, [REDACTED] in a position where they find it difficult to cooperate fully with company management.

For the Consul General:

Theodore A. Wahl

Theodore A. Wahl
Consul

Enclosure: *ATTN*

- ✓ 1. Translation of King Saud's statement on April 1, 1956.

CC: AMEMBASSY JIDDA

Wahl

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Source: Received from Local Government Relations, ARAMCO

On the morning of Sunday, 1 April 1956, during a meeting of a Government Company Labor Affairs Committee held in Al Hamra Palace in Riyadh, His Majesty the King entered the office where the meeting was being held and made a short statement on policy. An English resume of this statement follows:

His Majesty wanted first to say hello to everyone present and also wanted to say something about his policy with regard to the Company and its affairs. He had already told the Amir bin Jiluwi about this and he wanted the other gentlemen now present to know that he considered that the Government's interests and the Company's were exactly the same and he wanted full cooperation and mutual assistance between the Government and the Company at all times.

As for both sides, employer and employees, they must be given their full rights. The employees must have their full rights safeguarded and the Company must have its rights safeguarded, and the things that come in between must be settled in accordance with the law.

He further wanted to say that the Americans in the Company are in the country first as his guests and secondly as partners in the enterprise. He wanted them to be shown every kindness, hospitality, and cooperation in their work.

(Present:)	Yusuf Yasin	'Abd al-Mun'im Mustapha
	Jamal Hussaini	F. W. Ohliger
	Khalid Abu al-Walid	R. A. Eeds
	Muhammad Surur	T. C. Barger
	Turki bin Utaishan	M. D. Lafrenz
	'Abd al-Aziz ibn Madhi	H. McDonald